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FOR IMMEDIATE RELEASE

EEC EXAMINES MONOPOLISTIC ASPECTS OF JOINT RESEARCH AGREEMENT

WASHINGTON, D.C., March 9 -- In a matter which could have international interest the European Economic Community's Commission is considering whether its anti-trust regulations would permit a joint industrial agreement for marketing an electric transmission.

The Belgian electrical engineering firm Ateliers de construction<sup>2</sup>elec- triques de Charleroi (ACEC) and the French bus and truck builders Berliet have agreed to develop and market jointly an electric drive system for motor vehicles which ACEC has already perfected. ACEC would supply electric transmissions and Berliet the mechanical parts of the vehicles incorporating them. Berliet has agreed to procure its electric transmission systems only from ACEC; in return ACEC would supply its system to Berliet alone, ACEC could supply only a limited number of other manufacturers and then only after previously notify- ing Berliet. (1 in Germany + 1 in Italy)

Decision Will Set Precedent for Community and U.S. Firms

Article 85 (3) of the Rome Treaty permits authorization of restrictive agreements insofar as they "contribute to the improvement of the production or distribution of goods or to the promotion of technical or economic progress while reserving to users an equitable share in the profit resulting therefrom."

Both enterprises, in announcing the agreement to the Commission, claim it fits this formula and that it serves consumer interests as the agreement aims mainly at developing a new type of regular-service bus.

This is the first time the Commission has considered a joint research agree- ment, though in mid-February it began <sup>published for the first time details of</sup> ~~looking for the first time at~~ an agreement for the licensing of know-how from an American firm. In that case the Pittsburgh firm of Harbison-Walker agreed to supply its process for manufacturing refractory materials for blast furnaces only to the Dutch firm of Basref for a fifteen-year period. Basref in turn would turn over a part of its proceeds from the sales of such products as royalties to Harbison-Walker (see European Community's Journal Officiel for February 15, 1967).

The Commission's decision on each case will represent a momentous precedent for Community firms as well as U.S. firms and subsidiaries. It has hinted that it is likely to be favorable to both agreements.